

Beef and Veal Export Overview

Total Beef Exports Forecast to Recover in 2002 and Reach Record 5.8 Million Tons

Total beef exports for selected countries of the world are forecast to rise by 360,000 tons in 2002 to reach a record 5.8 million tons, up nearly 7 percent from the previous year. Beef exports by virtually all the major players are expected to climb.

United States beef exports are forecast to rise by 4 percent to 1.06 million tons in 2002, a return to a near record level, but not enough to keep pace with the competition. U.S. beef exports face increasing challenges from Australia and Canada, especially in Japan and Korea. High U.S. domestic prices, stemming from strong demand, and unfavorable exchange rates have also contributed to lower U.S. exports in 2001. With smaller beef supplies expected in 2002, upward pressure on U.S. prices should remain.

World demand for beef is expected to recover as more countries, especially Russia, reopen their markets as EU controls vis-à-vis FMD and BSE take effect. The occurrence of BSE in Japan in late September of 2001, however, has raised consumer anxieties there and will dampen demand well into the first part of 2002.

Australia, the world's leading volume exporter of beef, is expected to continue expanding in 2002, with more product entering the U.S. and East Asian markets. Although Canada's beef production is expected to slow slightly in 2002, Canada's exchange rate advantage is expected to lead to more Canadian beef in more overseas markets. New Zealand and India (mainly buffalo meat) are also moving more beef overseas, especially as their abundant supplies make their product more attractive in increasingly price sensitive Southeast Asian and Middle Eastern markets. EU export volumes are expected to rebound from their low 2001 levels by 25 percent as markets which had closed due to FMD concerns are expected to reopen in the latter half of 2001 and throughout 2002. Exports from Argentina and Brazil will recover in 2002, while those from Uruguay are expected to decline slightly as these countries undergo the stages of FMD outbreak, control, and recovery.

U.S. Beef Export Market Share Slips As New Players Step Up to the Bat

